

DIGITAL ENTREPRENEURIAL ECOSYSTEMS AND MARKET EXPANSION: A STRATEGIC PERSPECTIVE ON SME COMPETITIVENESS

Hery Margono

Universitas IPWIJA, Jakarta, Indonesia

Email: herymargono88@gmail.com

Abstract

The development of the digital entrepreneurial environment has driven significant changes in business interaction patterns, making them increasingly connected, dynamic, and geographically unbounded. This situation opens up broader opportunities for small and medium-sized businesses to expand their market reach, but also introduces new complexities in facing increasingly open competition. On the other hand, business actors' ability to respond to these changes still shows significant variation, particularly in terms of technology utilization, access to information, and adaptive strategic management. This study aims to examine the relationship between the dynamics of the digital entrepreneurial environment and market expansion strategies and their implications for strengthening business actors' competitiveness. This study uses a qualitative approach, utilizing various relevant secondary data sources for in-depth analysis. The results indicate that the intensity of connectivity and network utilization in the digital environment play a crucial role in opening access to broader market opportunities. Success in market expansion is strongly influenced by business actors' ability to develop flexible, integrated, and responsive strategies to change. Furthermore, strengthening competitiveness is determined by the ability to integrate various strategic elements, including internal resource management, exploiting external opportunities, and adapting to evolving environmental dynamics.

Keywords: *Digital Entrepreneurship, Market Expansion, MSME Competitiveness, Business Strategy, Digital Ecosystem.*

A. INTRODUCTION

Changes in the global economic landscape over the past decade have demonstrated an increasingly pronounced shift toward the dominance of digital-based activities, where connectivity, the speed of information flow, and cross-market integration are no longer complementary factors but rather key determinants of competitive dynamics (Scholz et al., 2018). Amidst these conditions, small and medium-sized businesses face increasingly complex pressures, not only from local competitors but also from global entities capable of reaching consumers without geographical boundaries. This situation is driving changes in how businesses respond to opportunities and threats, particularly in efforts to expand market reach, which previously relied heavily on physical limitations and conventional networks (Etemad, 2020).

In this context, the development of digital technology has not only created new channels for business activities but also shaped an environment that allows for more intense, dynamic, and open interactions between businesses. The interconnectedness of various parties, from technology providers and digital platforms to the business community, is gradually creating a space that accelerates the exchange of information, access to opportunities, and the distribution of resources previously difficult for small businesses. This situation provides new impetus for businesses not only to survive in an increasingly competitive market but also to actively seek ways to expand their operational reach (Elia et al., 2020).

Market expansion in an increasingly digitalized environment does not always occur in line with increased business capacity. Many businesses face challenges adapting their strategies to the characteristics of a digital market that tends to be rapidly changing, data-driven, and heavily influenced by dynamic consumer preferences. The shift toward digital consumption patterns requires businesses to be more responsive in identifying opportunities, while simultaneously managing internal limitations that often hinder optimal utilization of these opportunities (Matalamäki & Joensuu-Salo, 2022).

Engaging in an increasingly integrated digital environment also brings with it increased competitive intensity, which can no longer be predicted through traditional approaches. Businesses are faced with a situation where competitive advantage is no longer determined solely by product quality or competitive pricing, but also by the ability to build relationships, leverage networks, and optimize the various resources available in the digital environment. In these circumstances, success in market expansion is often determined by the extent to which businesses can position themselves within broader networks and capitalize on the interactions that occur within them (Yadav & Pavlou, 2020).

On the other hand, there is a significant gap between businesses that are able to strategically leverage digital developments and those that are still in the early stages of adaptation. This gap is reflected not only in the differing levels of technology adoption but also in the ways they design business strategies that align with the ever-changing dynamics of the environment. Businesses that are able to integrate the various opportunities emerging in the digital environment tend to have greater flexibility in responding to market changes, while those that are unable to do so often fall behind in increasingly fierce competition (Yeow et al., 2018).

Efforts to expand the market are inextricably linked to businesses' ability to manage the complexities that arise from the interaction of various external and internal factors. Regulatory changes, technological developments, and the dynamics of consumer preferences are variables that constantly shift and influence each other (Mihailova et al., 2020). In these conditions, businesses are required not only to react to change but also to be proactive in designing strategic steps that can anticipate various potential eventualities. This is all the more important given the higher uncertainty in the digital business environment compared to the traditional business environment (Elijido-Ten & Clarkson, 2019).

The market expansion process is often faced with resource limitations among small and medium-sized businesses. These limitations include financial resources, managerial capacity, and the ability to access relevant information. In such circumstances, the existence of an environment that facilitates the exchange of resources and information is crucial, as it can help reduce the barriers that hinder business development. Thus, interactions within this environment are not merely transactional but also have strategic dimensions that can influence the direction of overall business development (De Massis et al., 2018).

With this increasing complexity, there is a need to understand how businesses can utilize the existing environment more effectively to support market expansion efforts. This is crucial because not all businesses have the same ability to identify opportunities, build networks, and integrate various available resources. These differences in capabilities will ultimately impact the level of competitiveness of each business, especially when facing pressures from an increasingly open and competitive market (Font & McCabe, 2017).

Evolving dynamics indicate that success in market expansion depends not only on external factors but also on the internal capabilities of business actors in managing and directing their strategies. In many cases, businesses that are able to develop an adaptive and integrated approach tend to be more successful in capitalizing on emerging opportunities, compared to those that rely on a fragmented and uncoordinated approach. This demonstrates a

close relationship between the ability to manage the external environment and the internal capacity to design and implement business strategies (Quansah et al., 2022).

More broadly, this situation reflects the need to view the relationship between the evolving digital environment and market expansion strategies as an inseparable whole. A fragmented approach to understanding these two aspects has the potential to produce suboptimal strategies, as it fails to capture the complex interactions between the various factors that influence business performance. Therefore, efforts are needed to examine this relationship more deeply to provide a more comprehensive picture of how businesses can increase their competitiveness in an increasingly dynamic environment (Hanelt et al., 2021).

Considering these various dynamics, it becomes increasingly clear that efforts to increase the competitiveness of small and medium-sized businesses cannot be undertaken in isolation, but rather require an approach capable of integrating the various elements involved in the business process. The changes that occur require not only adaptability but also precision in designing strategies that align with the characteristics of the ever-evolving and increasingly uncertain environment. In this context, this study aims to examine in more depth the relationship between the evolving digital entrepreneurial environment and the market expansion strategies implemented by business actors, and how the integration of the two can be utilized to strengthen competitiveness in the face of increasingly complex and open competition.

B. LITERATURE REVIEW

In today's digital era, the concept of digital entrepreneurial ecosystems has emerged as an increasingly relevant approach to understanding the evolving dynamics of entrepreneurship amidst the acceleration of technology and widespread digitalization. This approach not only provides a framework for examining how entrepreneurial activity occurs but also opens up space for understanding the increasingly complex interrelationships between the various elements involved in the digital business environment. Digital entrepreneurial ecosystems focus on how digital technology and internet-based platforms create new opportunities, while simultaneously shaping different interaction patterns to support the development and sustainability of entrepreneurship across various sectors. This development demonstrates that entrepreneurial activities no longer exist in isolation but are increasingly integrated within an interconnected and interdependent environment (Beliaeva et al., 2020). However, the increasing recognition of the importance of these ecosystems in various studies has not been accompanied by a uniform approach to understanding and assessing this phenomenon. Research on Digital Entrepreneurship Ecosystems remains scattered across various approaches and perspectives, often leading to ambiguity in interpretation and difficulties in building a comprehensive understanding. This situation demonstrates the need for a more systematic review of existing findings to provide a more comprehensive picture of the development of this field. Therefore, a systematic literature review was conducted to summarize various previous studies and integrate the scattered findings, particularly on the intersection between digital entrepreneurship and the broader entrepreneurial ecosystem (Estes et al., 2018).

Along with rapid technological advancements, digitalization has brought profound changes to various aspects of life, including the way entrepreneurs conduct business activities, build relationships, and develop entrepreneurial environments. This transformation has not only changed the tools and media used but also impacted the interaction structures and working mechanisms that have long been the foundation of entrepreneurial activity. Previously, the concept of an entrepreneurial ecosystem focused more on the interconnectedness of actors within a specific region, where interactions between entrepreneurs, investors, educational institutions, government, and financial institutions occurred within a relatively limited space and were bound by geographic proximity (Kraus et al., 2019). This pattern created an

environment that tended to be localized, with dynamics heavily influenced by the conditions of each region. The advent of digital technology has significantly changed these boundaries, so that the entrepreneurial ecosystem is no longer bound by physical space or rigid sectoral boundaries. Digital technology introduces a new dimension to interactions between actors, enabling easier and faster cross-regional connections. This not only broadens the reach of interactions but also increases the intensity of collaboration and accelerates the innovation process within the entrepreneurial environment. Thus, the digital entrepreneurship ecosystem reflects a transformation that is not only technical but also structural, where relationship patterns, collaboration mechanisms, and business development dynamics are undergoing increasingly complex and evolving changes (Zhang et al., 2022).

The digital entrepreneurship ecosystem encompasses various digital platforms, technology-based tools, and online resources that simultaneously create a supportive environment for broader and more integrated entrepreneurial activities. In this context, entrepreneurs utilize technology not only as an operational tool but also as a primary means of building, managing, and sustainably developing their businesses. The ability to access broader markets, even at a global level, is one of the most tangible implications of engaging in an increasingly open digital environment. Interactions with various actors such as investors, mentors, business partners, and consumers can occur more intensively and without spatial constraints (Battisti et al., 2022). This creates space for entrepreneurs to expand their networks and obtain various forms of support that were previously difficult to access. With a digital entrepreneurship ecosystem, the business development process becomes faster and more flexible, as entrepreneurs can dynamically adapt their strategies to changes in the market environment. Despite offering significant opportunities, this ecosystem still exhibits fragmented characteristics, where differences in perspectives, approaches, and maturity levels among its elements create variations in how the ecosystem functions and is utilized by entrepreneurs (Autio et al., 2018).

Technological infrastructure is an integral foundation for the sustainability of the digital entrepreneurship ecosystem, as it plays a key enabler in supporting various digital business activities. This infrastructure includes a stable internet network, adequate hardware and software, and various digital platforms that enable businesses to operate efficiently and coordinate. The existence of platforms such as e-commerce, social media, and cloud-based services not only simplifies distribution and communication processes but also opens up opportunities for businesses to develop business models that are more adaptive to market needs (Jha et al., 2022). In an increasingly connected environment, collaboration and networking are becoming increasingly prominent, as businesses no longer rely on resources available in their immediate environment. Instead, they can connect with various parties from various regions, enabling a broader exchange of information, resources, and opportunities. This pattern of interaction strengthens businesses' position in facing market dynamics, while creating space for sustainable innovation through engagement in increasingly complex and open networks (Melander & Pazirandeh, 2019).

C. METHOD

This research was conducted using a qualitative approach aimed at understanding in-depth the relationship between the dynamics of the digital entrepreneurial environment and the market expansion strategies implemented by small and medium-sized businesses. This approach was chosen because it is able to capture the complexity of contextually evolving phenomena, particularly in situations where changes in the business environment occur rapidly and non-linearly. In its implementation, this research relied on various secondary data sources derived from previous research results, scientific publications, and various documents directly related to the focus of the study. The use of these sources was carried out selectively,

considering their relevance, depth of discussion, and their contribution to providing a comprehensive picture of the phenomenon under study. After the data collection process was completed, the next stage focused on systematic data processing and analysis to identify patterns, relationships, and trends emerging from the various sources reviewed. This process was carried out by emphasizing in-depth interpretation of the data content, thus producing a comprehensive understanding of how business actors respond to changes in the digital environment and develop their market expansion strategies. Through this analytical process, this research aimed to identify various aspects that contribute to strengthening competitiveness, while also uncovering the dynamics that influence the success and limitations of business actors in exploiting available opportunities. The results of this data processing are expected to provide a more structured picture and become a basis for drawing conclusions that are in line with the research objectives (Anggito & Setiawan, 2018).

D. RESULT AND DISCUSSION

1. Dynamics of Interaction in the Digital Entrepreneurship Environment

The development of the digital entrepreneurial environment has fundamentally changed the patterns of interaction between business actors, particularly in terms of the increasing intensity of ongoing connections. While previously business relationships tended to be limited by geographic proximity and conventional networks, in the digital context, these connections have expanded and no longer recognize the boundaries of space or time. Business actors now find themselves in a situation where interactions can occur simultaneously with multiple parties, including fellow business actors, service providers, and consumers. This increased connection intensity not only accelerates the formation of new relationships but also strengthens existing ones through higher frequency of communication and the ease of maintaining ongoing connectivity.

With this increasing connection, the tendency is emerging that these relationships are no longer linear but rather evolving into interconnected networks. In this context, the role of collaborative networks becomes increasingly important, as they can open access to opportunities previously difficult for individual business actors to access. Collaboration in the digital environment does not always take the form of formal partnerships, but can also emerge through informal but ongoing interactions. Such relationships enable the exchange of resources, the sharing of information, and the creation of new opportunities that could not have been generated independently. Thus, the existence of collaborative networks is one of the factors that expands the scope for business actors to develop their business activities.

The acceleration of information exchange has become an inseparable characteristic of the dynamics of interaction in the digital environment. Information no longer moves slowly and fragmented, but rather flows at high speed and in large volumes. This situation creates a situation where business actors are faced with a variety of information that must be processed quickly to support the decision-making process. The speed of responding to information becomes an increasingly crucial factor, especially in the face of dynamic market changes (Luo, 2022). The high flow of information also demands good selection skills, as not all available information is equally relevant to business needs. Therefore, the decision-making process is influenced not only by the availability of information but also by the ability to sort and interpret that information appropriately.

This situation also influences the patterns of business actors' engagement on the various available digital platforms. This involvement is no longer passive but has evolved into active participation encompassing various forms of activity, from establishing a digital presence, interacting with consumers, to building relationships with other business actors. Each platform has different characteristics, requiring adjustments in how business actors interact and utilize available features. In practice, businesses aren't just using a single platform, but rather

integrating multiple platforms to expand their reach and strengthen their market position. This increasingly diverse engagement pattern demonstrates that success in the digital environment is heavily influenced by the ability to consistently manage presence and activity across multiple channels.

Intense involvement in these various platforms indirectly increases business actors' dependency on the surrounding digital environment. This dependency relates not only to technology use but also to access to networks, information, and opportunities available within the ecosystem. In many cases, business sustainability is significantly influenced by the extent to which business actors are able to maintain their involvement in this environment and capitalize on the various interactions that occur within it. This demonstrates that the digital entrepreneurial environment is no longer merely an additional space for business activities but has become an integral part of the operational and development processes of the business.

However, this high level of dependency also carries its own consequences, particularly in terms of vulnerability to changes in the digital environment. Changes in platform algorithms, policy dynamics, and shifts in user trends can significantly impact business activities. In such conditions, business actors are required to have a high level of adaptability to avoid becoming trapped in dependency, which can actually hinder flexibility in developing strategies. In other words, although the digital environment offers various conveniences and opportunities, business actors still need to maintain a balance between utilizing existing connectivity and maintaining independence in managing the direction of their business development.

2. Market Expansion Strategy Patterns in a Digital Context

The increasingly digitalized business environment has driven a significant shift in market orientation, particularly for small and medium-sized businesses that previously operated within a relatively limited scope. While in the early stages, business activities were primarily focused on meeting local market needs with limited distribution reach, in the digital context, these boundaries are gradually shifting to a much broader scope. Market access is no longer determined by geographic proximity, but rather by a business's ability to utilize available digital infrastructure. This shift creates greater opportunities to reach consumers in various regions, while also presenting new challenges in understanding the increasingly diverse characteristics of the market.

As market reach expands, businesses are faced with the need to adapt their marketing strategies to the characteristics of digital consumers, who tend to be dynamic and have constantly changing preferences. The interaction between businesses and consumers is no longer one-way but has evolved into a more interactive and responsive relationship. In this context, marketing strategies focus not only on delivering product information but also on creating ongoing engagement with consumers. Responsiveness to feedback, speed in providing service, and the ability to adapt marketing messages are becoming increasingly crucial aspects in building close relationships with target markets.

The use of technology-based distribution channels is a crucial element in supporting market expansion efforts. Distribution channels are no longer limited to physical channels, but have evolved into various forms, enabling more efficient product and service distribution. Businesses have the opportunity to utilize various platforms that connect products directly with consumers, bypassing the need for a lengthy distribution chain. This not only increases efficiency but also provides greater flexibility in tailoring distribution strategies to meet the needs of the market being served. Therefore, the ability to manage and optimize various distribution channels is becoming increasingly crucial in expanding market reach.

Amidst these dynamics, strategic flexibility is an essential aspect, given that changes in market demand in the digital environment often occur rapidly and are difficult to predict. Businesses are required to respond to these changes by continuously adjusting their strategies,

both in terms of product offerings, marketing approaches, and managing customer relationships (Chan et al., 2019). This flexibility relates not only to the ability to change but also to being prepared to anticipate various possibilities that could impact business performance. In practice, businesses that are able to develop adaptive strategies tend to be better able to survive and thrive in the face of increasingly complex market dynamics.

Integrating various channels used in marketing and distribution activities is becoming an increasingly important strategic step in strengthening market penetration. Using a single channel in isolation is often insufficient to optimally reach consumers, so an approach that connects various channels into a mutually supportive whole is necessary. This integration enables businesses to create a more consistent experience for consumers while expanding touchpoints that can be leveraged to build long-term relationships. In this context, the ability to manage integration between channels is a crucial indicator in determining the effectiveness of a market expansion strategy.

Efforts to integrate these various channels are not without challenges, particularly in terms of coordination and resource management. Each channel has distinct characteristics, requiring a specific approach to its management. Businesses need to ensure that each channel they use does not operate in isolation, but rather is interconnected and supports the same goal. This requires consistency in messaging, information management, and coordination between activities carried out across various channels. Without proper integration, the potential of each channel will not be fully utilized.

In subsequent developments, market expansion strategies in the digital context have shown increasingly complex trends, with businesses focusing not only on increasing reach but also on the quality of interactions with consumers. Market expansion is no longer simply measured by the number of consumers reached, but also by the level of engagement and loyalty built through ongoing interactions. This suggests that market expansion strategies in the digital environment require a more holistic approach, one that considers not only quantitative aspects but also the quality of relationships established with the market.

3. Adaptation Challenges and Capacity Gaps of Business Actors

The increasingly digitalized business environment has not been accompanied by uniform readiness among businesses, particularly small and medium-sized businesses. Despite the widening opportunities, resource limitations remain a major obstacle to maximizing the available potential. These limitations relate not only to financial aspects but also to managerial capacity, organizational readiness, and the ability to allocate resources effectively. In many situations, businesses are faced with strategic choices that require significant investments of time and money, while their ability to bear these risks remains relatively limited. As a result, opportunities that should be maximized are often not optimally accessed.

This situation is further complicated by the varying abilities of businesses in utilizing available technology. Not all businesses possess the same level of understanding and skills in operating and integrating technology into daily business activities. This difference creates a significant gap in the speed of adaptation to changes in the digital environment. Businesses with better capabilities tend to be able to move more quickly in identifying opportunities and responding to change, while others are still in the adjustment phase, which requires more time. This variation in capabilities ultimately affects the competitive position of each business actor in an increasingly open market.

The rapid dynamics of change in the digital environment also present unique challenges in terms of managing adaptation. Changes occur not only in technological aspects, but also in consumer behavior, market interaction patterns, and ever-evolving distribution mechanisms. Businesses are required to be able to continuously adapt to these changes, which often occur in a relatively short time (Donthu & Gustafsson, 2020). However, not all business actors

possess the ability to manage these changes, especially when these changes require fundamental adjustments to previously established work methods. In such circumstances, the inability to adapt quickly can be a factor that hinders business development.

Disparities in access to information and business networks exacerbate the challenges faced by businesses. Although access to information has generally become more open in the digital environment, not all business actors have the same ability to access, understand, and utilize this information. This difference in the quality of access is often related to factors such as digital literacy levels, infrastructure availability, and the ability to build relationships with relevant parties. As a result, some business actors are at a disadvantage due to a lack of adequate access to strategic information that can support decision-making.

This limited access also impacts businesses' ability to build and utilize broader business networks. In an increasingly connected environment, networks are a crucial source of opportunities, information, and support needed to grow their businesses. However, not all businesses are able to effectively access these networks. Limitations in building relationships are often caused by a lack of experience, limited resources, or an unpreparedness to utilize available platforms. This situation has led to a widening gap between businesses with extensive networks and those with limited reach.

Increasing competitive pressures in an open environment exacerbate existing challenges. Businesses compete not only with local entities but also with businesses from various regions, each with its own unique strengths. This intense competition demands that businesses improve product quality, accelerate market response, and develop more innovative strategies. However, for businesses still facing resource and capacity constraints, this pressure can be a significant burden, ultimately impacting business sustainability.

Increased competition is also driving changes in the standards businesses must meet. Consumers have more choices and tend to be more selective in their decisions, requiring businesses to meet increasingly high expectations. Under these conditions, businesses that fail to keep pace with evolving market standards risk losing their competitive edge. This further emphasizes that adaptability is not solely about the use of technology, but also about the ability to understand and respond to changing market expectations comprehensively.

4. Strengthening Competitiveness through Strategic Integration

Strengthening business competitiveness in an increasingly complex business environment is inextricably linked to the ability to integrate various strategic elements from both within and outside the organization. In this context, synchronizing internal business conditions with external opportunities is increasingly determining the direction of business development (Mahdi & Nassar, 2021). Businesses are faced with the need to deeply understand their existing capacities and relate them to the dynamics of evolving opportunities in the external environment. A mismatch between the two is often the primary cause of suboptimal utilization of available opportunities, making efforts to align internal strengths with external demands a crucial step in building a more competitive position.

Along with this need for synchronization, the ability to sustainably manage relationships and networks is also an essential factor. In an increasingly connected environment, networks serve not only as a means to expand access but also as a medium enabling the ongoing exchange of value. The relationships established are no longer temporary but develop into long-term relationships that require consistent management. Businesses are required to maintain the quality of interactions, build trust, and develop effective communication with various parties involved. This capability becomes increasingly important because the sustainability of relationships often directly impacts the sustainability of access to necessary opportunities and resources.

In a more dynamic context, innovation plays an integral role in maintaining business relevance amidst rapid market changes. Innovation is not only related to product or service development, but also encompasses how businesses respond to change, adapt business processes, and create new value that aligns with market needs. Without continuous innovative efforts, businesses risk losing their appeal to increasingly selective consumers. Therefore, the ability to continuously update their approaches is a crucial part of a strategy to maintain and improve their competitive position.

Developing strategic responses to environmental changes is an unavoidable requirement in situations full of uncertainty. Changes are not always predictable, so businesses need to be prepared to respond to various possibilities that arise. This strategic response is not merely reactive but also reflects the ability to anticipate the direction of change and proactively adjust. In practice, businesses that are able to develop appropriate responses tend to have an advantage in facing market pressures because they are able to maintain stability while capitalizing on opportunities that arise from these changes.

The interconnectedness of these various aspects is further strengthened by the existence of digital connectivity, which opens up space for new opportunities. This connectivity allows businesses to access various resources, information, and networks that were previously difficult to access. The opportunities arising from this connectivity will not provide optimal benefits without the ability to manage them strategically. Businesses need to be able to identify relevant opportunities, assess their potential, and integrate them into their designed strategies. This process requires a comprehensive understanding of the dynamics at play, so that each opportunity can be exploited appropriately and effectively.

In future developments, strategic integration becomes increasingly important because the various elements influencing competitiveness no longer exist in isolation but are interconnected, forming a complex system. Businesses cannot focus solely on one aspect but need to simultaneously manage the interrelationships between various factors. Internal and external synchronization, network management, innovation, and response to change must be viewed as part of a mutually supportive whole. When this integration is successfully implemented, businesses will have a stronger foundation for facing the ever-evolving dynamics of competition.

To further clarify the relationship between internal and external alignment and its role in strengthening SME competitiveness, the conceptual framework is presented to illustrate how strategic integration functions as a central mechanism in connecting various strategic elements. The framework highlights the convergence of internal conditions and external opportunities into a unified strategic approach, which subsequently drives key capabilities such as network and relationship management, innovation, and strategic responsiveness. These interconnected elements collectively contribute to enhancing SME competitiveness within an increasingly dynamic and digitally connected business environment.

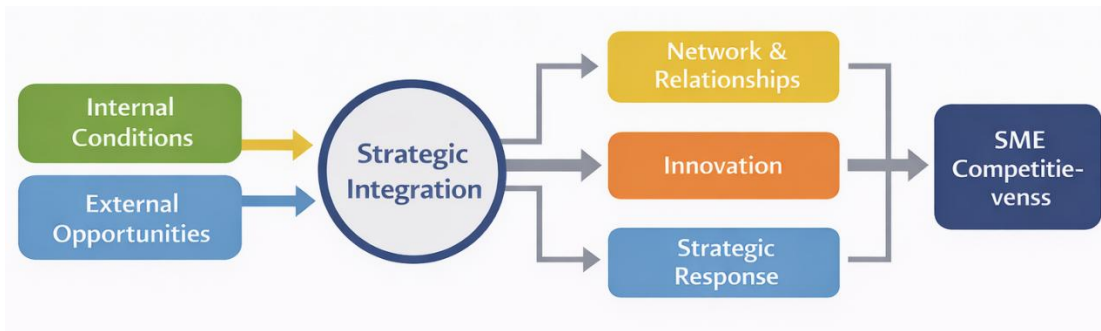


Figure 1. Conceptual Framework of Strategic Integration for Enhancing SME Competitiveness

The integration process isn't always straightforward, especially when businesses are faced with limited resources and increasing environmental complexity. Challenges in coordinating various strategic elements often hinder the achievement of the desired level of integration. Therefore, the ability to manage priorities, allocate resources effectively, and maintain consistency in strategy implementation is essential. This demonstrates that strategic integration is not only about planning but also about the ability to execute strategies sustainably.

E. CONCLUSION

The digital entrepreneurial environment has created increasingly intense, open, and interconnected interaction patterns, ultimately influencing how businesses develop market expansion strategies. High connectivity, supported by collaborative networks and rapid information flow, creates broader opportunities, but also demands greater adaptability. In this context, market expansion strategies are no longer conventional but have evolved into flexible, integrated approaches that are responsive to changing consumer characteristics and the ever-changing dynamics of demand. On the other hand, businesses' ability to capitalize on these opportunities still faces various limitations reflecting capacity gaps. Differences in technological mastery, access to information, and the ability to build networks are factors that influence the level of success in responding to environmental changes. Increasing competitive pressures further emphasize the importance of not only adapting but also strategically managing change. This situation demonstrates that success in the digital environment is determined not only by the availability of opportunities but also by the readiness of businesses to optimize their resources and capacities. Therefore, strengthening the competitiveness of small and medium-sized businesses depends heavily on the ability to comprehensively integrate various strategic elements. Synchronizing internal conditions with external opportunities, managing ongoing relationships and networks, developing innovation, and responding to change are key foundations for building a competitive position. This integration enables businesses not only to survive in a dynamic environment but also to actively leverage digital connectivity as a means to expand markets and enhance long-term business sustainability.

REFERENCES

- Anggito, A., & Setiawan, J. (2018). *Metodologi penelitian kualitatif*. Jejak Publisher.
- Autio, E., Nambisan, S., Thomas, L. D., & Wright, M. (2018). Digital affordances, spatial affordances, and the genesis of entrepreneurial ecosystems. *Strategic entrepreneurship journal*, 12(1), 72-95.
- Battisti, S., Agarwal, N., & Brem, A. (2022). Creating new tech entrepreneurs with digital platforms: Meta-organizations for shared value in data-driven retail ecosystems. *Technological forecasting and social change*, 175, 121392.
- Beliaeva, T., Ferasso, M., Kraus, S., & Damke, E. J. (2020). Dynamics of digital entrepreneurship and the innovation ecosystem: A multilevel perspective. *International Journal of Entrepreneurial Behavior & Research*, 26(2), 266-284.
- Chan, C. M., Teoh, S. Y., Yeow, A., & Pan, G. (2019). Agility in responding to disruptive digital innovation: Case study of an SME. *Information systems journal*, 29(2), 436-455.
- De Massis, A., Audretsch, D., Uhlaner, L., & Kammerlander, N. (2018). Innovation with Limited Resources: Management Lessons from the German Mittelstand. *Journal of Product Innovation Management*, 35(1), 125-146.
- Donthu, N., & Gustafsson, A. (2020). Effects of COVID-19 on business and research. *Journal of business research*, 117, 284-289.

- Elia, G., Margherita, A., & Passiante, G. (2020). Digital entrepreneurship ecosystem: How digital technologies and collective intelligence are reshaping the entrepreneurial process. *Technological forecasting and social change*, 150, 119791.
- Elijido-Ten, E. O., & Clarkson, P. (2019). Going beyond climate change risk management: Insights from the world's largest most sustainable corporations. *Journal of Business Ethics*, 157(4), 1067-1089.
- Estes, L., Elsen, P. R., Treuer, T., Ahmed, L., Caylor, K., Chang, J., ... & Ellis, E. C. (2018). The spatial and temporal domains of modern ecology. *Nature ecology & evolution*, 2(5), 819-826.
- Etemad, H. (2020). Managing uncertain consequences of a global crisis: SMEs encountering adversities, losses, and new opportunities. *Journal of International Entrepreneurship*, 18(2), 125-144.
- Font, X., & McCabe, S. (2017). Sustainability and marketing in tourism: Its contexts, paradoxes, approaches, challenges and potential. *Journal of sustainable tourism*, 25(7), 869-883.
- Hanelt, A., Bohnsack, R., Marz, D., & Antunes Marante, C. (2021). A systematic review of the literature on digital transformation: Insights and implications for strategy and organizational change. *Journal of management studies*, 58(5), 1159-1197.
- Jha, A., Sindhwani, R., Dwivedi, A., & Saddikuti, V. (2022). Sustainable recovery for digital entrepreneurs with shared resources: enablers, challenges and solutions. *Journal of Asia Business Studies*, 16(3), 515-537.
- Kraus, S., Palmer, C., Kailer, N., Kallinger, F. L., & Spitzer, J. (2019). Digital entrepreneurship: A research agenda on new business models for the twenty-first century. *International Journal of Entrepreneurial Behavior & Research*, 25(2), 353-375.
- Luo, Y. (2022). New connectivity in the fragmented world. *Journal of International Business Studies*, 53(5), 962.
- Mahdi, O. R., & Nassar, I. A. (2021). The business model of sustainable competitive advantage through strategic leadership capabilities and knowledge management processes to overcome covid-19 pandemic. *Sustainability*, 13(17), 9891.
- Matalamäki, M. J., & Joensuu-Salo, S. (2022). Digitalization and strategic flexibility—a recipe for business growth. *Journal of Small Business and Enterprise Development*, 29(3), 380-401.
- Melander, L., & Pazirandeh, A. (2019). Collaboration beyond the supply network for green innovation: insight from 11 cases. *Supply Chain Management: An International Journal*, 24(4), 509-523.
- Mihailova, I., Panibratov, A., & Latukha, M. (2020). Dismantling institutional complexity behind international competitiveness of emerging market firms. *Thunderbird International Business Review*, 62(1), 77-92.
- Quansah, E., Hartz, D. E., & Salipante, P. (2022). Adaptive practices in SMEs: leveraging dynamic capabilities for strategic adaptation. *Journal of Small Business and Enterprise Development*, 29(7), 1130-1148.
- Scholz, R. W., Bartelsman, E. J., Diefenbach, S., Franke, L., Grunwald, A., Helbing, D., ... & Viale Pereira, G. (2018). Unintended side effects of the digital transition: European scientists' messages from a proposition-based expert round table. *Sustainability*, 10(6), 2001.
- Yadav, M. S., & Pavlou, P. A. (2020). Technology-enabled interactions in digital environments: A conceptual foundation for current and future research. *Journal of the Academy of Marketing Science*, 48(1), 132-136.

ARTIKEL

- Yeow, A., Soh, C., & Hansen, R. (2018). Aligning with new digital strategy: A dynamic capabilities approach. *The Journal of Strategic Information Systems*, 27(1), 43-58.
- Zhang, X., Gao, C., & Zhang, S. (2022). The niche evolution of cross-boundary innovation for Chinese SMEs in the context of digital transformation——Case study based on dynamic capability. *Technology in Society*, 68, 101870.